

DIRECT TESTIMONY OF

ROBERT A. LAWYER

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2020-229-E

IN RE: DOMINION ENERGY SOUTH CAROLINA, INCORPORATED'S

ESTABLISHMENT OF A SOLAR CHOICE METERING TARIFF

PURSUANT TO S.C. CODE ANN. SECTION 58-40-20

(SEE DOCKET NO. 2019-182-E)

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Robert A. Lawyer. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as Deputy Director of Energy Efficiency and Renewables in the Utility Rates and Services Division of the Office of Regulatory Staff ("ORS").

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received my Bachelor of Science in Financial Management from Clemson University in 1994. Prior to my employment at ORS, I held a variety of positions in finance, accounting, auditing and management. I joined ORS in 2007 as an Auditor and assumed my current position in November 2019.

Q. HAVE YOU TESTIFIED BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA ("COMMISSION")?

A. Yes. I have previously testified before the Commission.

Q. WHAT IS THE MISSION OF ORS?

A. ORS represents the public interest as defined by the South Carolina General Assembly as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my direct testimony is to set forth and support ORS's review, analysis and resulting recommendations related to the Solar Choice Metering Tariffs proposed by Dominion Energy South Carolina, Inc. ("DESC" or the "Company") in compliance with S.C. Code Ann. § 58-40-20 of the South Carolina Energy Freedom Act ("Act 62").

Q. WAS THE REVIEW AND ANALYSES PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review and analyses to which I testify were performed by me or under my supervision.

Q. PLEASE DETAIL THE REQUIREMENTS OF THE RECENT NET ENERGY METERING ("NEM") GENERIC DOCKET NO. 2019-182-E.

A. The recent NEM Generic Docket required 1) the investigation and determination of the costs and benefits of the current NEM program and 2) the establishment of a methodology for calculating the value of the energy produced by customer-generators.

Q. DID ORS INCORPORATE THE OUTCOME(S) OF THE NEM GENERIC DOCKET NO. 2019-182-E TO DEVELOP ITS RECOMMENDATIONS IN THIS PROCEEDING?

No. A final Commission order has not been issued in the NEM Generic Docket. Therefore, ORS's recommendations focused on the elimination of any cost shift to the greatest extent practicable on customers who do not participate in customer sited solar generation, pursuant to Act 62.

Q. DID ORS REVIEW OR ANALYZE THE IMPACT(S) OF DESC'S PROPOSED SOLAR CHOICE METERING TARIFFS ON THE ECONOMIC AND/OR FINANCIAL INTERESTS OF THE SOLAR INDUSTRY IN SOUTH CAROLINA?

A. No. ORS represents the concerns of the using and consuming public, all classes of customers. Therefore, the ORS recommendations in this proceeding reflect efforts to protect all classes of DESC customers from unreasonable shifts in costs in the determination of DESC's successor Solar Choice Metering Tariffs.

Q. WHAT OTHER ENTITIES PLAY A SIGNIFICANT ROLE IN THIS PROCEEDING?

A. In addition to DESC, several other entities have intervened to represent the interests of the solar industry and clean energy policy. These entities include Alder Energy Systems, LLC, the North Carolina Sustainable Energy Association, the Solar Energy Industries Association, Vote Solar, the Southern Alliance for Clean Energy, the South Carolina Coastal Conservation League, and Upstate Forever. The primary purpose of some of the entities is to sell, lease, and market goods and services related to solar to potential customer-generators. As such, the interests of those entities are not always aligned with the interests of the using and consuming public who purchase electrical service from DESC. This distinction is important to recognize as the Commission will determine compensation for customer-generators and impact the future rates to be paid by all DESC customers.

Q. DID ORS RETAIN ANY EXPERT WITNESSES FOR THIS PROCEEDING?

A. Yes. ORS retained one (1) expert witness for this proceeding: Brian Horii, a Senior Partner with Energy and Environmental Economics, Inc. (“E3”).

Q. WHAT IS THE PURPOSE OF ORS’S EXPERT WITNESS’ DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of Mr. Horii’s direct testimony is to discuss E3’s analysis and review of the proposals made by DESC in this docket pursuant to Section 58-40-20 of Act 62 and to present recommendations for the Commission’s consideration. Mr. Horii evaluated the cost shift impacts of DESC’s proposed Solar Choice Metering Tariffs and identified modifications for the proposed tariff designs. ORS does not object to the DESC proposal and provides two (2) modifications to the proposed tariff rates to reduce the cost shift of the proposed rates. In addition, Mr. Horii provides an estimate of the costs that would be allocated to customer-generators in an embedded cost of service (“COS”) study if the residential and small general service customer-generators were treated as classes separate from the non-solar customers.

Q. PLEASE SUMMARIZE ORS’S FINDINGS AND RECOMMENDATIONS FOR THIS PROCEEDING?

A. In evaluating DESC’s proposed Solar Choice Metering Tariffs, ORS offers the following findings and recommendations:

1. DESC’s proposal substantially reduces the cost shift for new solar installations compared to the cost shift experienced for the existing NEM tariffs.
2. DESC’s proposed Subscription Fees result in cost shifts that are larger for smaller solar installations.

- 1 3. ORS recommends that the Subscription Fees be reduced to better align with cost
2 causation, with remaining transmission and distribution revenue to be recovered
3 through increased time of use (“TOU”) energy charges.
- 4 4. ORS recommends the TOU energy charges be modified to be calculated based on the
5 energy that customer-generators are expected to purchase from DESC, rather than the
6 energy that would have been consumed by the customer prior to the installation of solar.
7 This modification will remove a built-in positive cost shift bias inherent in DESC’s
8 proposed rates.
- 9 5. ORS provided Modified rates for residential and small general service customer-
10 generators that reduce the cost shift to near zero over wide ranges of solar installation
11 sizes.
- 12 6. ORS’s Modified rates provide savings to customers that are consistent on a dollar per
13 kilowatt of solar installation basis. Conversely, the DESC proposed rates strongly favor
14 smaller solar installations.
- 15 7. DESC has not provided an estimate of the cost shift from solar under an embedded
16 COS framework.
- 17 8. ORS has produced estimates of the cost to serve customer-generators under an
18 embedded COS framework. The results indicate that the cost shift for residential
19 customers would essentially be the same as estimated under the avoided cost
20 framework, and that small general service customers would result in an annual cost
21 shift \$186 lower per customer-generator under the embedded COS framework
22 compared to the avoided cost framework.

1 **Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION**
2 **THAT BECOMES AVAILABLE?**

3 **A.**Yes. ORS fully reserves the right to revise its recommendations via supplemental
4 testimony should new information not previously provided by the Company, or other
5 sources, becomes available.

6 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

7 **A.**Yes.